

UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

FIREMAN'S FUND INSURANCE COMPANY, as  
subrogee of Pasquale Pantone and Kathleen May  
Neal

Plaintiff,

vs.

COUNTY CENTER ROOFING CO., INC.

Defendant.

CASE NO.:

**JUDGE BRIEANT**  
**07 CIV 8846**

**RULE 7.1 STATEMENT**

Pursuant to Rule 9 of the General Rules of the Federal Rules of Civil Procedure [formerly Local General Rule 1.9] and to enable judges and magistrates of the court to evaluate possible disqualifications or recusal, the undersigned attorney of record for the Plaintiff, Fireman's Fund Insurance Company, (a private non-governmental party) certifies that the following is the corporate parent of said party, which is publicly held:

**ALLIANZ OF AMERICA, INC. (PARENT COMPANY)**

**SEE ATTACHED**

Dated: October 12, 2007  
New York, New York

Respectfully submitted,

COZEN O'CONNOR

BY:



ROBERT W. PHELAN, ESQUIRE  
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*Attorneys for Plaintiff*

FILED  
U.S. DISTRICT COURT  
S.D. OF N.Y.  
OCT 15 AM 10:10

## 2005 REINSURANCE RECOVERABLES (\$000)

	Paid & Unpaid Losses	IBNR	Unearned Premiums	Other Recov*	Total Reins Recov
US Affiliates.....	3,377,714	2,190,645	1,677,513	-6	7,245,866
Foreign Affiliates.....	112,676	1,432,554	13,516	...	1,558,746
US Insurers.....	470,278	613,003	79,156	-78	1,162,359
Pools/Associations.....	142,117	35,424	2,016	-3,208	176,349
Other Non-US.....	204,977	194,604	5,132	-2,322	402,391
Total (ex US Affils).....	930,048	2,275,585	99,820	-5,608	3,299,845
Grand Total.....	4,307,762	4,466,230	1,777,333	-5,614	10,545,711

\* Includes Commissions less Funds Withheld

## INVESTMENT LEVERAGE ANALYSIS (% OF PHS)

Period Ending	Company						Industry Composite	
	Class 3-6 Bonds	Real Estate/Mtg.	Other Invested Assets	Common Stocks	Non-Affil. Inv. Lev.	Affil. Inv.	Class 3-6 Bonds	Common Stocks
2001	17.0	...	13.2	89.7	119.9	69.8	10.4	24.1
2002	18.6	0.2	9.7	69.4	98.0	67.3	10.3	17.9
2003	12.3	...	7.0	22.6	41.8	63.7	8.5	19.2
2004	7.3	0.2	15.2	14.5	37.2	45.8	6.8	19.7
2005	2.8	0.4	7.0	27.9	38.1	20.0	6.9	18.5

## HISTORY

The Fireman's Fund Insurance Companies are led by the Fireman's Fund Insurance Company which commenced operations in 1864. The San Francisco Reinsurance Company was organized in 1956 and Fireman's Fund Insurance Company of Texas was incorporated in 1962. In 1963, The American Insurance Company and two affiliates, American Automobile Insurance Company (currently a subsidiary of Fireman's Fund Insurance Company, Novato, CA) and its subsidiary Associated Indemnity Corporation, were acquired. The National Surety Corporation was formed in 1970. In 1979, the formation of Fireman's Fund Insurance Companies of Georgia, Nebraska and Wisconsin occurred. In 1980, Fireman's Fund Insurance Company of Ohio was acquired and Fireman's Fund Insurance Company of Hawaii, Inc. was organized. In 1981, the Interstate Fire & Casualty Company, and its two subsidiaries, Chicago Insurance Company and Interstate Indemnity Company were purchased and Fireman's Fund Insurance Company of Louisiana and Southern Fund Insurance Corporation were incorporated. Formation of Fireman's Fund Indemnity Corporation and Parkway Insurance Company took place in 1983. During 1988, Warner Insurance Company became a member of the Fireman's Fund Insurance Companies. In 1988, Southern Guaranty Insurance Company, acquired in 1980, and Southern Guaranty Insurance Company of Georgia, incorporated in 1981, were sold and Southern Fund Insurance Corporation became a wholly-owned subsidiary of Fireman's Fund Insurance Company. In 1989, Vintage Insurance Company was formed. In 1991, Midway Insurance Company of Illinois was organized. In 1992, Southern Fund Insurance Corporation was sold to Southern Guaranty Insurance Company and Fireman's Fund Insurance Company of Missouri was formed. In 1997 both Dawson Hail Insurance Company, and Plains Insurance Company were acquired, and both sold in 1999. Fireman's Fund Insurance Company of Texas and Fireman's Fund Insurance Company of Wisconsin were both sold in 2005.

## MANAGEMENT

Effective November 1, 1997, Fireman's Fund Insurance Company and subsidiaries became a wholly-owned subsidiary of Allianz Global Risks U.S. Insurance Company (known as Allianz Insurance Company prior to July 9, 2003), a subsidiary of Allianz of America, Inc. which, in turn, is a subsidiary of Allianz Aktiengesellschaft (Allianz AG), Munich, Germany. Prior to November 1, 1997, the Fireman's Fund had been a wholly-owned subsidiary of Allianz of America, which had acquired control of the company on January 2, 1991 from The Fund American Companies, Inc.

Administration of the group's affairs has been under the direction of Charles Kavitsky, CEO, since May 2004. Previously, Mr. Kavitsky served as president of the affiliated Allianz Life Insurance Company in Minneapolis, MN, where he was a member of senior management for a number of years. Mr. Kavitsky reports to Mr. Jan Carendi, chairman of Fireman's board and a Member of the Allianz AG Board of Management in charge of the NAFTA region. Mr. Carendi is a seasoned insurance executive with extensive experience in the United States, Latin America and Europe.

## REGULATORY

**Territory:** The individual member companies of the group collectively operate in DC, Puerto Rico and all states. In addition, operations are also conducted in foreign countries through its affiliates.

## REINSURANCE PROGRAMS

The group currently maintains corporate reinsurance catastrophe protection for all losses arising from a single occurrence as follows: 60% of \$100 million

excess \$200 million; 80% of \$100 million excess \$300 million, 90% million excess \$400 million, 100% of \$825 million excess of \$1.1 million excess of \$15 million and \$40 million excess of \$10 million excess of \$100 million excess of \$100 million. Marine coverage is for 75% of \$100 million excess of \$5 million. The target retention on a net basis for one risk is \$1.1M. The property per risk, casualty per risk, compensation and marine covers provide protection for non-certified and, on a more limited basis, for certified events of terrorism. Additionally the group has coverage for 80% of \$250 million excess of \$250 million certified terrorism coverage, insuring to the benefit of the certified terrorism coverage provided for in the corporate catastrophe treaties.

CONSOLIDATED BALANCE SHEET  
(at December 31, 2005)

ADMITTED ASSETS (\$000)			
	12/31/05	12/31/04	%05
Bonds.....	8,057,902	7,571,630	66.7
Preferred stock.....	13,706	14,301	0.1
Common stock.....	796,282	426,710	6.6
Cash & short-term invest.....	-180,800	-133,412	-1.5
Other non-affil inv. as set.....	212,319	452,620	1.8
Investments in affiliates.....	571,745	1,343,508	4.7
Real estate, offices.....	...	203	...
Total invested assets.....	9,471,153	9,675,559	78.4
Premium balances.....	965,230	998,472	8.0
Accrued interest.....	80,913	84,581	0.7
All other assets.....	1,558,820	1,440,756	12.9
Total assets.....	12,076,116	12,199,368	100.0

## LIABILITIES &amp; SURPLUS (\$000)

	12/31/05	12/31/04	%05
Loss & LAE reserve.....	5,881,374	5,339,985	48.7
Unearned premium.....	1,870,382	1,867,740	15.5
Conditional reserve funds.....	193,325	110,871	1.6
All other liabilities.....	1,276,834	1,946,666	10.6
Total liabilities.....	9,221,915	9,265,262	76.4
Total policyholders' surplus.....	2,854,201	2,934,106	23.6
Total liabilities & surplus.....	12,076,116	12,199,368	100.0

## CONSOLIDATED SUMMARY OF 2005 OPERATIONS (\$000)

Statement of Income		Funds Provided from Operations	
	12/31/05		12/31/04
Premiums earned.....	4,326,650	Premiums collected.....	4,371,111
Losses incurred.....	2,372,377	Benefit & loss related pmts.....	1,898,000
LAE incurred.....	514,604	LAE & undrw expenses paid.....	1,722,100
Undrw expenses incurred.....	1,278,384	Div to policyholders.....	2,770,000
Div to policyholders.....	-807	Investment income.....	536,100
Net investment income.....	492,700	Other income/expense.....	-6,100
Other income/expense.....	-52,307	Income taxes pd (recov).....	19,000
Realized capital gains.....	51,467	Net oper cash flow.....	1,199,000
Income taxes incurred.....	-15,546		
Net income.....	669,498		

**Allianz of America, Inc**  
**FIREMAN'S FUND INSURANCE COMPANY**  
 777 San Marin Drive, Novato, CA 94998  
 Web: www.firemansfund.com

Tel: 415-899-2000

AMB#: 02179

FEIN#: 94-1610280

Fax: 415-899-3600

NAIC#: 21873

## BEST'S RATING

Based on our opinion of the consolidated Financial Strength of the members of Fireman's Fund Insurance Companies, which operate under a business pooling arrangement, each pool member is assigned a Best's Rating of A (Excellent). The company is assigned the Financial Size Category of Class XV, which is the Financial Size Category of the pool. Refer to the Preface for a complete explanation of Best's Rating system and procedure.

## RATING RATIONALE

For a detailed discussion of the rating rationale, refer to the report of Fireman's Fund Insurance Companies.

Best's Rating: A p

Outlook: Stable

## FIVE YEAR RATING HISTORY

Rating as of July 24, 2006: A p

Date	Best's Rating	Date	Best's Rating
07/22/05	A p	08/29/01	A p
06/21/04	A p	04/02/01	A++g
04/17/03	A p	11/03/00	A++g
09/20/02	A pu		

## KEY FINANCIAL INDICATORS (\$000)

Period Ending	Statutory Data				Total Admitted Assets	Policyholders' Surplus
	Direct Premiums Written	Net Premiums Written	Pretax Operating Income	Net Income		
2001	1,864,669	3,046,953	-432,717	-581,239	10,359,746	1,945,394
2002	1,739,663	1,867,443	-966,674	-1,171,691	10,268,593	2,239,490
2003	1,776,041	3,007,697	107,039	117,658	10,635,512	2,858,866
2004	1,747,899	3,157,707	241,305	231,008	9,913,245	2,930,106
2005	2,005,078	3,220,975	421,148	487,582	9,695,634	2,850,201
5-Yr						

  

Period Ending	Profitability			Leverage			Liquidity		
	Comb. Ratio	Inv. Yield (%)	Pretax ROR (%)	NA Inv Lev	NPW to PHS	Net Lev.	Overall Liq. (%)	Oper. Cash flow	Oper. Cash flow (%)
2001	122.3	3.7	-14.6	113.7	1.6	5.8	124.8	93.9	93.9
2002	157.2	3.6	-51.1	84.2	0.8	4.4	130.0	66.0	66.0
2003	102.8	4.3	3.7	33.3	1.1	3.7	138.9	99.7	99.7
2004	97.6	4.2	7.7	29.4	1.1	3.4	144.0	123.6	123.6
2005	96.2	4.6	13.1	34.7	1.1	3.5	145.0	137.6	137.6
5-Yr	111.5	4.1	-4.5	...	...	...	...	...	...

(\*) Data reflected within all tables of this report has been compiled from the company-filed statutory statement. Within several financial tables of this report, this company is compared against the Commercial Casualty Composite.

## BUSINESS REVIEW

For a detailed discussion of business review, refer to the report of Fireman's Fund Insurance Companies.

**Associations:** American Hull Insurance Syndicate, American Nuclear Insurers, Associated Aviation Underwriters, and Cargo Reinsurance Association.

## 2005 BUSINESS PRODUCTION AND PROFITABILITY (\$000)

Line	Premiums Written		% of Total NPW	Pure Loss Ratio	Loss & LAE Res.
	Direct	Net			
Multi-Peril	252,194	660,034	20.5	41.0	608,291
Occur	190,968	497,654	15.5	40.0	644,252
Others	238,020	417,628	13.0	60.7	166,574
Auto	499,608	352,880	11.0	78.4	285,944
Marine	411,513	336,209	10.4	30.9	67,922
Comp	21,840	165,346	5.1	64.7	1,071,438
Marine	195,615	130,196	4.0	53.1	96,492
Lab Cl-Made	18,881	129,291	4.0	121.3	282,239
Auto Liab	51,761	126,287	3.9	61.0	103,232
Physical	46,258	112,872	3.5	63.1	29,933
Auto Liab	8,826	68,079	2.1	57.3	189,210
Other	69,594	224,499	7.0	64.5	498,158
Total	2,005,078	3,220,975	100.0	54.8	4,343,685

**2005 Direct Premium Writings by State (\$000):** California, \$240 (25.3%); New York, \$203,279 (10.1%); Florida, \$145,011 (7.2%); Texas, \$123,113 (6.1%); Texas, \$99,491 (5.0%); 48 other jurisdictions, \$327 (46.0%); Canada, \$436 (0.0%); Aggregate Alien, \$3,181 (0.2%).

## CAPITALIZATION

For a detailed discussion of capitalization, refer to the report of Fireman's Fund Insurance Companies.

## CAPITAL GENERATION ANALYSIS (\$000)

Period Ending	Source of Surplus Growth					PHS Growth (%)
	Pretax Operating Income	Total Inv. Gains	Net Contrib. Capital	Other, Net of Tax	Change in PHS	
2001	-432,717	-838,939	1,152,582	263,584	144,510	8.0
2002	-966,674	-463,127	1,783,579	-59,683	294,096	15.1
2003	107,039	305,321	...	207,016	619,376	27.7
2004	241,305	114,507	-404,452	119,880	71,240	2.5
2005	421,148	203,425	-627,016	-77,462	-79,905	-2.7
5-Yr	-629,897	-678,812	1,904,693	453,334	1,049,317	...

## HISTORY

This company began business in 1864 as the Home Mutual Insurance Company. The name was changed to Home Fire and Marine Insurance Company of California in December 1900 and was changed again on January 4, 1966, to the present form. Operations were suspended in 1906 and resumed early in 1918 with financial aid extended by interests identified with the previous management. The Western National Insurance Company was merged into this company on December 31, 1949.

The status of this company changed on January 4, 1966, when the former Fireman's Fund Insurance Company altered its corporate status to that of a holding company operating as Fireman's Fund Corporation. With this development the Home Fire and Marine Insurance Company of California adopted and preserved the title Fireman's Fund Insurance Company.

Under a reinsurance and reorganization agreement on January 1, 1964, the Home Fire and Marine Insurance Company of California reinsured and assumed all risks and liabilities under all policies and contracts outstanding and in force in the name of the Fireman's Fund. Paid up capital of \$4,200,000 consists of 280,000 shares of Class A voting common stock at a par value of \$15 per share. The company has 1,000,000 authorized shares.

## MANAGEMENT

On January 2, 1991, Allianz of America, Inc. a subsidiary of Allianz Aktiengesellschaft, Munich, Germany purchased from The Fund American Companies, Inc., all of the capital stock of Fireman's Fund Insurance Company (and thereby control of all its subsidiaries). Allianz AG is a more than century old German insurer and reinsurer that operates on a worldwide basis through branch offices, subsidiaries and affiliated companies. Allianz Global Risks US Insurance Company (formerly Allianz Insurance Company), an indirect subsidiary of Allianz AG, now holds financial control of FFIC.

On June 28, 1991, both the Parkway Insurance Company (formerly Fireman's Fund Insurance Company of New Jersey) and Fireman's Fund Indemnity Corporation became wholly owned subsidiaries of Fireman's Fund Insurance Company.

On July 31, 1992, Southern Fund Insurance Corporation was sold to Southern Guaranty Insurance Company, a member of the Winterthur Swiss Group.

On December 1, 1995, both American Automobile Insurance Company (together with its subsidiary Associated Indemnity Corporation) and Fireman's Fund Insurance Company of Nebraska became wholly owned subsidiaries of Fireman's Fund Insurance Company. Administration of the Allianz affairs is under the direction of chairman of the board Michael Diekmann, who is a seasoned insurance executive with experience in both the United States and Germany.

**Officers:** Chairman of the Board, Jan R. Carendi; Chief Executive Officer, Charles M. Kavitsky; President and Chief Operating Officer, Joseph J. Beneducci; Executive Vice President and Chief Financial Officer, Jill E. Paterson; Executive Vice President, Peter Huehne; Senior Vice President, Secretary and General Counsel, Janet S. Kloenhamer; Senior Vice President and Treasurer, Linda E. Wright; Senior Vice President and Controller, Louise Jordan; Senior Vice Presidents, Gary C. Bhojwani, Gregory A. Castleman, David L. Conway, Robert H. Courtemanche, Earl C. Davis, Kathryn M. Fong, Bruce F. Friedberg, Lawrence T. Hannon, Jr., Michael J. Miller, Arthur E. Moosmann, Jr., Roger M. Nulton, Jr., James M. Pedersen, Darryl J. Siry, Paul M. Stachura, Juli M. Wall.

**Directors:** Joseph J. Beneducci, James R. Campbell, Jan R. Carendi, Peter Huehne, Charles M. Kavitsky, Robert W. MacDonald, Jill E. Paterson, Helmut Perlet, Mark Zesbaugh.

## REGULATORY

An examination of the financial condition was made as of December 31, 2003 by the Insurance Department of California. The 2005 annual independent audit of the company was conducted by KPMG, LLP. The annual statement of actuarial opinion is provided by David R. Heyman, Vice President and Actuary.

**Territory:** The company is licensed in the District of Columbia, Guam, Puerto Rico, U.S. Virgin Islands and all states.

To view a company's complete BEST'S COMPANY REPORT, refer to BEST'S INSURANCE REPORTS on CD-ROM, or go online at [www.ambest.com/bir](http://www.ambest.com/bir)

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